

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES AND)	
AUTHORITY TO BUILD AND FINANCE)	
LINE EXTENSION OF HENRY COUNTY)	CASE NO. 8748
WATER DISTRICT)	

AMENDED ORDER

On June 27, 1983, the Commission entered an Order in the above case granting Henry County Water District ("Henry County") a certificate of public convenience and necessity to construct a 6-inch water line extension, approval of the proposed method of financing and the requested rate increase of \$64,612. On September 16, 1983, the Commission, by Order, allowed Henry County to amend its construction project to increase the nominal size of the approved water line construction from 6-inch to 8-inch. The change in construction increased costs from \$117,930 to \$130,088. On September 19, 1983, by letter submitted by its counsel, Henry County requested to increase the total amount of its allowable financing from \$120,000 to \$150,000. The two banks from which Henry County has proposed to borrow the needed construction funds have agreed, by letter to Henry County, to subordinate said loans to Henry County's outstanding bonds.

FINDINGS AND ORDERS

After examining the evidence of record and being advised, the Commission is of the opinion and finds that:

1. The proposed borrowing of \$150,000 is for lawful objects within the corporate purposes of Henry County, is necessary and appropriate for and consistent with the proper performance of services to the public by Henry County, will not impair its ability to perform these services and is reasonably necessary and appropriate for such purposes.

2. The proposed financing should be subordinated to Henry County's outstanding bonds.

3. The Commission's Orders of June 27, 1983, and September 16, 1983, not specifically addressed herein shall remain in full force and effect.

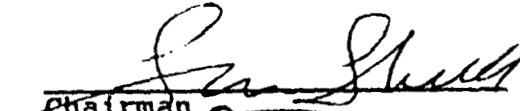
IT IS THEREFORE ORDERED that Henry County's plan for financing its construction work in the amount of \$130,088 with a loan from the Deposit Bank and Trust Company, Pleasureville, Kentucky, not to exceed \$75,000 for 10 years at 8 percent interest and from The Central Bank, Pleasureville, Kentucky, not to exceed \$75,000 for 10 years at 8 percent interest be and it hereby is approved.


IT IS FURTHER ORDERED that the above allowed financing be subordinated to Henry County's outstanding bond indebtedness.

IT IS FURTHER ORDERED that the provisions of the Commission's Order of June 27, 1983, not specifically addressed herein or by its Order of September 16, 1983, shall remain in full force and effect.

Done at Frankfort, Kentucky, this 2nd day of November, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary